

24 June 2026

*To the Independent CPM Shareholders
and Independent CPM Optionholders,*

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFERS BY YU MING INVESTMENT
MANAGEMENT LIMITED ON BEHALF OF PRIME SURPLUS LIMITED
AND SHK HONG KONG INDUSTRIES LIMITED TO ACQUIRE ALL THE
ISSUED SHARES OF CPM GROUP LIMITED (OTHER THAN THOSE SHARES
ALREADY OWNED AND/OR AGREED TO BE ACQUIRED
BY THE OFFERORS, CNT AND PARTIES ACTING IN CONCERT WITH
ANY OF THEM) AND TO CANCEL ALL THE
OUTSTANDING SHARE OPTIONS OF CPM GROUP LIMITED**

INTRODUCTION

We refer to (i) the Joint Announcement in relation to the CNT Offer and the CPM Offers; (ii) the CNT Composite Document in relation to the CNT Offer; and (iii) the announcement dated 17 June 2026 jointly issued by the Offerors, CNT and CPM in respect of, among other things, the CNT Offer having become unconditional in all respects and the satisfaction of the pre-condition to the CPM Offers.

The CNT Offer became unconditional in all respects on 17 June 2026. The Offerors and parties acting in concert with any of them together hold more than 50% of the voting rights in CNT as a result of the CNT Offer. Therefore, pursuant to the chain principle in Note 8 to Rule 26.1 of the Takeovers Code, the Offerors are required to make a mandatory unconditional cash offer for all the issued CPM Shares (other than those shares already owned and/or agreed to be acquired by the Offerors, CNT and parties acting in concert with any of them) and a mandatory unconditional cash offer to cancel all outstanding CPM Share Options (other than those share options already owned and/or agreed to be acquired by the Offerors, CNT and parties acting in concert with any of them).

The purpose of this Composite Document is to provide you with, among others, further information on the CPM Offers, the recommendation from the Independent CPM Board Committee to the Independent CPM Shareholders and Independent CPM Optionholders, and the advice from the Independent CPM Financial Adviser on the CPM Offers, together with the Forms of Acceptance.

THE CPM OFFERS

As set forth in the “Letter from Yu Ming” in this Composite Document:

Yu Ming, on behalf of the Offerors, is making the CPM Offers to acquire all the CPM Offer Shares and to cancel all CPM Share Options in compliance with the Takeovers Code on the basis set out below:

The CPM Share Offer

For every CPM Offer Share HK\$0.0562 in cash

The CPM Share Offer Price at HK\$0.0562 for each CPM Offer Share has been determined based on the Pacpo Formula set out in Practice Note 19 to the Takeovers Code, taking into consideration (i) the CNT Offer Price of HK\$0.1 per CNT Offer Share; (ii) the audited consolidated total net asset values of CNT and CPM attributable to owners as of 31 December 2025, being approximately HK\$1,196.1 million and HK\$353.1 million, respectively; (iii) the total number of CNT Shares and CPM Shares as of the date of the Joint Announcement, being 1,903,685,690 and 1,000,000,000, respectively; and (iv) the fact that CNT through its wholly-owned subsidiary, CNT Enterprises Limited, holds 750,000,000 CPM Shares (representing 75.00% of the voting rights of CPM) as of the date of the Joint Announcement.

The CPM Offer Shares to be acquired under the CPM Share Offer shall be fully paid and free from all Encumbrances and together with all rights and interests attaching thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the CPM Offers are made, being the date of the despatch of this Composite Document.

Based on the Pacpo Formula, the CPM Share Offer Price of HK\$0.0562 per CPM Offer Share is calculated as follows:

$$\frac{\text{Net assets values of CPM} \times \text{CNT's \% equity interests in CPM}}{\text{Net asset values of CNT}} \times \frac{\text{CNT Offer Price of HK\$0.1 per CNT Offer Share} \times \text{Total CNT Shares in issue}}{\text{Number of CPM Shares held by CNT}}$$

Note: The net asset value of CNT and CPM represents the audited consolidated total net asset values of CNT and CPM attributable to owners as of 31 December 2025.

The CPM Option Offer

As the exercise price of the outstanding CPM Share Options is above the CPM Share Offer Price, the outstanding CPM Share Options are out of the money and the offer price for cancellation of each CPM Share Option is set at a nominal value of HK\$0.0001, in cash.

As of the Latest Practicable Date, there are a total of 60,000,000 outstanding CPM Share Options, carrying rights to subscribe for 60,000,000 new CPM Shares with an exercise price of HK\$0.335 per CPM Share Option, out of which 10,000,000 CPM Share Options are held by Mr. Tsui.

If any CPM Share Option is exercised by the Independent CPM Optionholders in accordance with the terms of the relevant CPM Share Option Scheme prior to the close of the CPM Share Offer, any CPM Shares issued as a result of such exercise will be subject to the CPM Share Offer.

Pursuant to the terms of the CPM Share Option Scheme, in the event that a general offer is made to all CPM Shareholders (or all such CPM Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror (as defined in the Takeovers Codes)) and such offer becomes or is declared unconditional during the option period of the relevant CPM Share Option, the grantee shall be entitled to exercise the CPM Share Option in full (to the extent not already exercised) at any time up to the close of the offer or the record date for entitlements under the scheme of arrangement, as the case may be.

The CPM Offers are extended to all CPM Shareholders and CPM Optionholders other than the Offerors, CNT and parties acting in concert with any of them in accordance with the Takeovers Code. As of the Latest Practicable Date, CPM has 1,000,000,000 CPM Shares in issue. Save for the 1,000,000,000 CPM Shares and 60,000,000 outstanding CPM Share Options in issue, there are no outstanding CPM Shares, options, warrants, derivatives or securities convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

The CPM Offers are unconditional in all respects and are not conditional upon acceptances being received in respect of a minimum number of CPM Offer Shares and in respect of a minimum number of CPM Share Options to be cancelled.

Comparison of value

The CPM Share Offer Price of HK\$0.0562 per CPM Share represents:

- (a) a discount of approximately 77.43% to the closing price of approximately HK\$0.249 per CPM Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 76.39% to the average closing price of approximately HK\$0.238 per CPM Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
- (c) a discount of approximately 76.49% to the average closing price of approximately HK\$0.239 per CPM Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;
- (d) a discount of approximately 77.79% to the average closing price of approximately HK\$0.253 per CPM Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days up to and including the Last Trading Day;
- (e) a discount of approximately 76.58% to the closing price of HK\$0.240 per CPM Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (f) a discount of approximately 84.08% to the audited consolidated net asset value attributable to owners of CPM of approximately HK\$0.353 per CPM Share as of 31 December 2025 calculated based on the information as set out in CPM's annual report for the year ended 31 December 2025 and 1,000,000,000 CPM Shares in issue as of the Latest Practicable Date; and
- (g) a discount of approximately 86.56% to the adjusted unaudited consolidated net asset value attributable to CPM Shareholders per CPM Share of approximately HK\$0.418 per CPM Share as of 31 December 2025, the calculation of which is set out in the paragraph headed "5. ADJUSTED UNAUDITED NET ASSET VALUE" in Appendix II to this Composite Document.

Highest and Lowest CPM Share Prices

During the Relevant Period:

- a) the highest closing price of the CPM Shares quoted on the Stock Exchange was HK\$0.440 per CPM Share on 5 May 2026; and
- b) the lowest closing price of the CPM Shares quoted on the Stock Exchange was HK\$0.121 per CPM Share on 25 and 26 November 2025.

Offer consideration

Your attention is drawn to the paragraphs under “Letter from Yu Ming – Offer consideration” in this Composite Document for the consideration of the CPM Offers.

INFORMATION ON THE CPM GROUP

CPM is a company incorporated in the Cayman Islands with limited liability, the CPM Shares are listed on the Main Board. The CPM Group is principally engaged in (i) the manufacture and sale of paint and coating products; and (ii) property investment.

Your attention is drawn to Appendices II and V to this Composite Document which contain financial information and general information of the CPM Group, respectively.

SHAREHOLDING STRUCTURE OF CPM

The following table sets forth the shareholding structure of CPM as of the Latest Practicable Date.

	As of the Latest Practicable Date	
	<i>CPM Shares</i>	<i>%</i>
The Offerors, CNT and parties acting in concert with any of them		
CNT	<u>750,000,000</u>	<u>75</u>
<i>Sub-total</i>	<i>750,000,000</i>	<i>75</i>
Public Shareholders	<u>250,000,000</u>	<u>25</u>
Total	<u>1,000,000,000</u>	<u>100</u>

Note: Save for Mr. Tsui (i) holding 10,000,000 CPM Share Options and (ii) his interest in CNT (through Prime Surplus) which, in turn, having interest in CPM Shares as set out in the table above and Mr. Li Guangzhong (an executive CPM Director) holding 10,000,000 CPM Share Options, none of the CPM Directors is interested in any CPM Shares.

INFORMATION ON THE OFFERORS

Your attention is drawn to the paragraphs under “Letter from Yu Ming – INFORMATION ON THE OFFERORS” in this Composite Document.

INTENTIONS OF THE OFFERORS IN RELATION TO THE CPM GROUP

The Offerors do not have any particular plans and strategies regarding the future development of the CPM Group and intend to continue the existing businesses of the CPM Group. The Offerors have no intention to (i) introduce any major changes to the existing business and operation of the CPM Group; (ii) discontinue the employment of any employees of the CPM Group to make significant changes to any employment; or (iii) dispose of or re-deploy the fixed assets of CPM other than those in its ordinary and usual course of business. However, the Offerors will continuously review the business of the CPM Group and the Offerors reserve the right to make such changes that it deems necessary or appropriate to the CPM Group’s business and operations to optimise the value of the CPM Group.

The Offerors have no intention, understanding, obligation, negotiation or arrangement (concluded or otherwise) to downsize, cease or dispose of any of the existing businesses of the CPM Group.

The CPM Board is aware of the Offerors' intentions in respect of the CPM Group and its employees and is willing to cooperate with the Offerors and act in the best interests of the CPM and the CPM Shareholders as a whole.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF CPM

Your attention is drawn to the paragraphs under "Letter from Yu Ming – MAINTAINING THE LISTING STATUS OF CPM AND SUFFICIENT PUBLIC FLOAT OF CPM" in this Composite Document. The CPM Board notes that the Offerors intend to maintain the listing status of CPM on the Main Board and that the directors of the Offerors and the CPM Directors have jointly undertaken to the Stock Exchange that if, at the close of the CPM Offers, CPM fails to comply with the requirement of Rule 13.32B of the Listing Rules, they will take appropriate steps to ensure CPM's compliance with Rule 13.32B of the Listing Rules at the earliest possible moment. CPM will make an application to the Stock Exchange for a temporary waiver from strict compliance with Rule 8.08(1) of the Listing Rules in case less than 25% of the CPM Shares will be held by the public upon the close of the CPM Offers in accordance with Rule 13.33 of the Listing Rules.

INDEPENDENT CPM BOARD COMMITTEE AND INDEPENDENT CPM FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, the Independent CPM Board Committee, comprising Mr. Mak Chi Wah, the non-executive CPM Director and all independent non-executive CPM Directors, namely, Mr. Chua Joo Bin, Mr. Xia Jun and Ms. Meng Jinxia, has been established to advise the Independent CPM Shareholders and the Independent CPM Optionholders as to whether the CPM Offers are fair and reasonable and as to acceptance of the CPM Offers.

Ample Capital Limited has been appointed as the Independent CPM Financial Adviser with the approval of the Independent CPM Board Committee to advise the Independent CPM Board Committee in respect of the CPM Offers and, in particular, as to whether the CPM Offers are fair and reasonable and as to the acceptance of the CPM Offers pursuant to Rule 2.1 of the Takeovers Code.

RECOMMENDATIONS

Your attention is drawn to the sections headed "Letter from the Independent CPM Board Committee" and the "Letter from the Independent CPM Financial Adviser" in this Composite Document, which contain, among others, the advice of the Independent CPM Financial Adviser and the Independent CPM Board Committee in relation to the CPM Offers and the principal factors considered by them in arriving at their recommendations, and in particular, as to whether the CPM Offers are fair and reasonable and as to the acceptance of the CPM Offers.

ADDITIONAL INFORMATION

Your attention is drawn to additional information set forth in the appendices to this Composite Document. You are also recommended to read carefully the “Letter from Yu Ming” in this Composite Document and the accompanying Forms of Acceptance.

If you are in doubt about your position in connection with the CPM Offers, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

By order of the CPM Board
CPM Group Limited



Mak Chi Wah
Non-executive Director